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DOE review completed.

Department of Energy
Washington, D.C. 20461

AUG 8 1979

Honorable Allan W. Beres
Commissioner of Transportation and
Public Utilities Service
General Service Administration
Washington, D.C. 20406

Dear Mr. Beres:

This is in response to your letter of July 17, 1979 concerning the motor gasoline supply problems experienced by the General Services Administration in refueling its Interagency Motor Pool System (IMPS) vehicle fleet. The problem you present overlaps to some extent with the problem ERA is addressing in discussions with Federal law enforcement agencies. Please refer to Economic Regulatory Administration's letter of July 30, 1979 addressed to you concerning the refueling of essential operational law enforcement vehicles.

Effective on August 1, 1979 the Mandatory Petroleum Allocation Regulations (Regulations) were amended with respect to motor gasoline allocation levels. A copy of the Federal Register notice which sets forth the changes is enclosed for your information. This change established two allocation levels of one hundred (100) percent of base period use not subject to an allocation fraction and one hundred (100) percent of base period use subject to reduction by application of an allocation fraction. The one hundred (100) percent current requirements allocation level for motor gasoline is no longer applicable for any wholesale purchaser except for Department of Defense under unusual circumstances when certified by the Secretary of Defense.

The refueling system for essential Federal law enforcement vehicles currently being developed should alleviate to a large extent the gasoline problem for that portion of the IMPS fleet assigned to such agencies as the Customs Service, Secret Service, Internal Revenue Service, etc. However, it will not change the gasoline supply situation for the other vehicles or for administrative vehicles assigned to the law enforcement agencies.

You have indicated that historically IMPS vehicles obtained 85 percent of their fuel needs through commercial sources. Since this was the normal practice, under the Mandatory

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Petroleum Allocation Regulations those vehicles should continue to obtain their fuel at retail gasoline outlets. It is not DOE's intention to provide priority treatment for governmental vehicles other than as set forth in the amended regulations for Department of Defense, emergency service, etc. For those facilities such as Hartford and New Orleans which were not in existence during the base period, application can be made to DOE's regional offices, see enclosed list, for the assignment of a base period volume and supplier . In such instances it will be necessary for GSA to find a willing supplier.

With the amendment to the motor gasoline allocation level provisions there are now only two levels: base period not subject to a fraction and base period subject to a fraction. Under these circumstances ERA cannot consider changing the level for general "Governmental use" to base period use not subject to a fraction as this level is reserved for those activities which can be considered as having a "high priority."

Sincerely,

Doris J. Dewton
Acting Assistant Administrator
Office of Petroleum Operations
Economic Regulatory Administration

Enclosures

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